SPECIAL MEETING/HEARING AGENDA AIR QUALITY ADVISORY COUNCIL April 24, 2024, 9:00 a.m. Department of Environmental Quality 707 North Robinson Avenue Oklahoma City, OK

Elease turn off cell phones



- 1. Call to Order Laura Lodes, Chair
- 2. Roll Call Quiana Fields
- **3.** Approval of Minutes October 4, 2023 Regular Meeting
- 4. Public Rulemaking Hearing
  - A. Chapter 100. Air Pollution Control Subchapter 7. Permits for Minor Facilities Part 9. Permits by rule 252:100-7-60.5 Oil and natural gas sector [AMENDED]

The Department of Environmental Quality (Department or DEQ) is proposing to amend the Permit By Rule (PBR) in OAC 252:100-7-60.5, Oil and natural gas sector, in response to the U.S. Environmental Protection Agency's (EPA's) recently promulgated requirements in 40 C.F.R. Part 60, Subpart OOOOb Standards of Performance for Crude Oil and Natural Gas Facilities for which Construction, Modification or Reconstruction Commenced After December 6, 2022 (NSPS Subpart OOOOb). Additionally, the proposed amendment would allow the use of legally and practicably enforceable (LPE) limits when determining a facility's eligibility for the PBR. The gist of the proposed rule is to clarify source eligibility criteria for the PBR and ensure that the current PBR allows facilities potentially subject to NSPS Subpart OOOOb to take LPE limits to avoid applicability of the federal requirements for certain equipment.

- 1. Presentation Tom Richardson, P.E., Rules & Planning Section, AQD
- 2. Questions and discussion by the Council
- 3. Questions, comments and discussion by the public
- 4. Discussion and possible action by the Council

- 5. Division Director's Report Kendal Stegmann, Division Director, AQD
- **6. New Business** Any matter not known about or which could not have been reasonably foreseen prior to the time of posting the agenda.
- 7. Adjournment The next regular meeting is scheduled for Wednesday, July 24, 2024, in Tulsa/Owasso, Oklahoma.

Should you have a disability and need an accommodation, please notify the DEQ Air Quality Division three days in advance at 405-702-4177. Hearing impaired persons may call the text telephone (TDD) Relay Number at 1-800-722-0353 for TDD machine use only.

#### TITLE 252. DEPARTMENT OF ENVIRONMENTAL QUALITY CHAPTER 100. AIR POLLUTION CONTROL

#### **RULEMAKING ACTION:**

Notice of proposed EMERGENCY rulemaking

## **PROPOSED RULES:**

Subchapter 7. Permits for Minor Facilities Part 9. PERMITS BY RULE 252:100-7-60.5 Oil and natural gas sector [AMENDED]

#### **SUMMARY:**

The Department of Environmental Quality (Department or DEQ) is proposing to amend the Permit By Rule (PBR) in OAC 252:100-7-60.5, Oil and natural gas sector, in response to the U.S. Environmental Protection Agency's (EPA's) recently promulgated requirements in 40 C.F.R. Part 60, Subpart OOOOb Standards of Performance for Crude Oil and Natural Gas Facilities for which Construction, Modification or Reconstruction Commenced After December 6, 2022 (NSPS Subpart OOOOb). Additionally, the proposed amendment would allow the use of legally and practicably enforceable (LPE) limits when determining a facility's eligibility for the PBR. The gist of the proposed rule is to clarify source eligibility criteria for the PBR and ensure that the current PBR allows facilities potentially subject to NSPS Subpart OOOOb to take LPE limits to avoid applicability of the federal requirements for certain equipment.

#### **AUTHORITY:**

Environmental Quality Board; 27A O.S. §§ 2-2-101, 2-2-201, 2-3-402, and 2-5-106. Air Quality Advisory Council; 27A O.S. §§ 2-2-201 and 2-5-107. Oklahoma Clean Air Act; 27A O.S. §§ 2-5-101 through 2-5-130.

Oklahoma Uniform Permitting Act; 27A O.S. §§ 2-14-101 through 2-14-304.

#### **COMMENT PERIOD:**

Written comments may be submitted to the contact person from March 15, 2024, through April 15, 2024. Oral comments may be made at the April 24, 2024 Special Air Quality Advisory Council meeting and at the June 11, 2024 Environmental Quality Board meeting.

## **PUBLIC HEARING:**

Before the Air Quality Advisory Council at 9:00 a.m. on Wednesday, April 24, 2024, at the DEQ Headquarters, 707 N. Robinson, Oklahoma City, OK 73102.

If the Council recommends adoption, the proposed rules will be considered by the Environmental Quality Board at its meeting scheduled for 9:30 a.m. on Tuesday, June 11, 2024, at the DEQ Headquarters, 707 N. Robinson, Oklahoma City, OK 73102.

These hearings shall also serve as public hearings to receive comments on the proposed revisions to the State Implementation Plan (SIP) under the requirements of 40 C.F.R. § 51.102 and 27A O.S. § 2-5-107(6)(c), and to the State Title V (Part 70) Implementation Plan under the requirements of 40 C.F.R. Part 70 and 27A O.S. § 2-5-112(B)(9).

### **REQUEST FOR COMMENTS FROM BUSINESS ENTITIES:**

The Department requests that business entities or any other members of the public affected by these rules provide the Department, within the comment period, in dollar amounts if possible, the increase in the level of direct costs such as fees, and the indirect costs such as reporting, recordkeeping, equipment, construction, labor, professional services, revenue loss, or other costs expected to be incurred by a particular entity due to compliance with the proposed rules.

#### **COPIES OF PROPOSED RULES:**

Copies of the proposed rules may be obtained from the contact person, reviewed at the Department of Environmental Quality, 707 N. Robinson, Oklahoma City, OK 73102, or reviewed online at <u>https://www.deq.ok.gov/council-meetings/air-quality-advisory-council/</u>.

#### **RULE IMPACT STATEMENTS:**

Pursuant to 75 O.S. § 303(D), a rule impact statement was prepared and is available on the DEQ website at <u>https://www.deq.ok.gov/council-meetings/air-quality-advisory-council/</u>. Copies may also be obtained from the Department by calling the contact person listed below. **CONTACT PERSON:** 

The contact person for this proposal is Melanie Foster, Environmental Programs Manager, who can be reached by phone at (405) 702-4100. Please email written comments to <u>AQDRuleComments@deq.ok.gov</u>. Mail should be addressed to Department of Environmental Quality, Air Quality Division, P.O. Box 1677, Oklahoma City, OK 73101-1677, ATTN: Melanie Foster.

#### **PERSONS WITH DISABILITIES:**

Should you desire to attend the public hearing but have a disability and need an accommodation, please notify the Air Quality Division three (3) days in advance at (405) 702-4177. For the hearing impaired, the TDD relay number is 1-800-522-8506 or 1-800-722-0353, for TDD machine use only.

#### DRAFT MINUTES AIR QUALITY ADVISORY COUNCIL October 4, 2023 Department of Environmental Quality Oklahoma City, Oklahoma

Official AQAC Approved at April 24, 2024 Special Meeting

**Notice of Public Meeting** – The Air Quality Advisory Council (AQAC) convened for its Regular Meeting at 9:00 a.m. on October 4, 2023. Notice of the meeting was forwarded to the Office of Secretary of State on November 1, 2022. The agenda was posted at the DEQ twenty-four hours prior to the meeting. Also, Ms. Cheryl Bradley acted as Protocol Officer and convened the hearings by the AQAC in compliance with the Oklahoma Administrative Procedures Act and Title 40 CFR Part 51 and Title 27A, Oklahoma Statutes, Sections 2-2-201 and 2-5-101 through 2-5-117. She entered the agenda and the Oklahoma Register Notice into the record and announced that if you wish to make a statement when it's time for public comments, complete the form at the registration table and you will be called upon at the appropriate time. Ms. Laura Lodes, Chair, called the meeting to order. Ms. Quiana Fields called roll and confirmed that a quorum was present. Ms. Lodes welcomed new council member, Mr. James Farrell to the Council.

MEMBERS PRESENT	DEQ STAFF PRESENT
Matt Caves	Beverly Botchlet-Smith
Gary Collins	Brooks Kirlin
Gregory Elliott	Melanie Foster
James Farrell	Phillip Martin
Garry Keele	Travis Couch
John Privrat	Jared Milano
Jeffrey Taylor	Cheryl Bradley
Laura Lodes	Ryan Biggerstaff
	Camas Frey
MEMBERS ABSENT	Bryan Sims
Robert Delano	Malcolm Zachariah
	Christian Mitchell
	Quiana Fields

**Approval of Minutes** – Ms. Lodes called for a motion to approve the Minutes of the January 11, 2023 Regular Meeting. Mr. Elliott moved to approve and Mr. Caves made the second.

See transcript pages 3 - 4				
Matt Caves	Yes	Garry Keele	Yes	
Gary Collins	Yes	John Privrat	Yes	
Gregory Elliott	Yes	Jeffrey Taylor	Yes	
James Farrell	Yes	Laura Lodes	Yes	

**Meeting Schedule for Calendar Year 2024** – Ms. Lodes stated the proposed meeting scheduled dates are: January 10 in Oklahoma City, June 5 in Tulsa/Owasso and October 2 in Oklahoma City. Mr. Elliott moved to approve the proposed dates and Mr. Privrat made the second.

See transcript pages 4 - 7				
Matt Caves	Yes	Garry Keele	Yes	
Gary Collins	Yes	John Privrat	Yes	
Gregory Elliott	Yes	Jeffrey Taylor	Yes	
James Farrell	Yes	Laura Lodes	Yes	

#### **Public Rulemaking Hearing**

Chapter 100. Air Pollution Control Subchapter 17. Incinerators 252:100-17-93 Exemptions [AMENDED] 252:100-17-103 Part 70 permits [AMENDED]

# Subchapter 23. Control of Emissions From Cottom Gins 252:100-23-3 Applicability, general requirements [AMENDED]

# Subchapter 35. Control of Emission of Carbon Monoxide 252:100-35-1 Purpose [AMENDED]

Ms. Melanie Foster, Environmental Programs Manager, Rules & Planning Section of the AQD, stated the Department of Environmental Quality (Department or DEQ) is proposing to make revisions in Subchapters 17, 23 and 35 as part of the Department's review of Chapter 100 in response to Governor Stitt's Executive Order 2020-03. The Department is proposing to correct typographical errors in citations found in OAC 252:100-17-93, OAC 252:100-17-103 and OAC 252:100-23-3. In addition, the Department is proposing to correct the reference to the air quality standard in OAC 252:100-35-1. The gist of this rule proposal and the underlying reason for the rulemaking is to revise inaccurate rule language. Hearing a question by the Council and none by the public, Ms. Lodes called for a motion, Mr. Elliott moved to approve and Mr. Taylor made the second.

See transcript pages 7 - 15			
Matt Caves	Yes	Garry Keele	Yes
Gary Collins	Yes	John Privrat	Yes
Gregory Elliott	Yes	Jeffrey Taylor	Yes
James Farrell	Yes	Laura Lodes	Yes

### Chapter 100. Air Pollution Control Subchapter 2. Incorporation by Reference [AMENDED] Appendix Q. Incorporation by Reference [REVOKED] Appendix Q. Incorporation be Reference [NEW]

Mr. Jared Milano, Environmental Programs Specialist, Rules & Planning Section of the AQD stated that the Department is proposing to update OAC 252:100, Appendix Q, Incorporation by Reference. In addition, the Department is proposing to update language in Subchapter 2, Incorporation by Reference, to reflect the latest date of incorporation of EPA regulations in Appendix Q. Hearing no questions or comments by the Council and none by the public, Ms. Lodes called for a motion, Mr. Collins moved to approve and Mr. Farrell made the second.

See transcript pages 15 - 17				
Matt Caves	Yes	Garry Keele	Yes	
Gary Collins	Yes	John Privrat	Yes	
Gregory Elliott	Yes	Jeffrey Taylor	Yes	
James Farrell	Yes	Laura Lodes	Yes	

#### Ms. Bradley announced the conclusion of the hearing portion of the meeting.

See transcript page 17

**Presentation** – Mr. Bryan Sims, EPM, Monitoring Section West, AQD & Ryan Biggerstaff, EPM, Monitoring Section East, AQD, gave a presentation on Anticipated NAAQS Revisions and Monitoring Network Changes.

**Presentation** – Mr. Travis Couch, AQD Supervising Attorney, Legal Division, gave a presentation on EPA's Good Neighbor Ozone Federal Implementation (FIP).

**Division Director's Report** – Ms. Beverly Botchlet-Smith, Asssistan Division Director of the AQD, provided an update on other Division activities.

New Business – None

**Adjournment** – Ms. Lodes called for a motion to adjourn the meeting. Mr. Keele moved to adjourn and Mr. Elliott made the second. The next scheduled Special Meeting is on Wednesday, January 10, 2024. Meeting adjourned at 10:20 a.m.

<i>8 j</i>			
Matt Caves	Yes	Garry Keele	Yes
Gary Collins	Yes	John Privrat	Yes
Gregory Elliott	Yes	Jeffrey Taylor	Yes
James Farrell	Yes	Laura Lodes	Yes

Transcript and attendance sheet becomes an official part of these Minutes.

1 (1 - 4)

1	Page 1	1	Page 3 the Approval of Minutes from the January 11, 2023
2	REGULAR MEETING/HEARING	2	Regular Meeting.
3	AIR QUALITY ADVISORY COUNCIL	3	And actually, before I roll into
4	OCTOBER 4, 2023, 9:00 AM	4	that, I will announce we have a new council member,
5		5	Jim Farrell, he is an attorney with ONEOK.
6	MEMBERS PRESENT	6	How long have you been at ONEOK?
7	Laura Lodes	7	MR. FARRELL: Three and a half years.
	Garry Keele II	8	CHAIRWOMAN LODES: Three and a half years,
1	Matt Caves	9	okay. So we do have a new member, so I went into
1	Gregory Elliott	10	that. So I know you weren't present, I don't
Į.	John Privrat	11	believe, for the last, the
1	James Farrell	12	MR. FARRELL: Yeah, the last one, that was
	Jeffrey Taylor		supposed to be my first one, got canceled in Tulsa.
1	Gary Collins	14	CHAIRWOMAN LODES: Yeah, I was going to
15	Sary Corrins	1 .	say, I thought we've had some of that, so okay.
1	MEMBERS ABSENT	16	So now we'll go on today's agenda,
			the Approval of the Minutes from the January 11th
1	Robert Delano		Council Meeting. Do we have any comments or
18			questions on the minutes?
19		- ·	- B TC 1100 - 21 DC 1201
20		20	
21			approve the minutes from the January 11, 2023
22		I	meeting?
23		23	
24		24	
25	REPORTED BY: Jenny Longley, CSR	25	1999/07/2011
1	Page 2 PROCEEDINGS	1	motion and a second. Page 4
2	CHAIRWOMAN LODES: I'd like to call	2	Quiana, will you please call roll?
3	today's meeting of the Air Quality Advisory Council	3	MS. FIELDS: Mr. Caves?
4	to order.	4	MR. CAVES: Yes.
5	Quiana, will you please call roll?	5	MS. FIELDS: Mr. Collins?
6	MS. FIELDS: Mr. Caves?	6	MR. COLLINS: Yes.
7	MR. CAVES: Here.	7	MS. FIELDS: Mr. Elliott?
8	MS. FIELDS: Mr. Collins?	18	MR. ELLIOTT: Yes.
9	MR. COLLINS: Here.	9	MS. FIELDS: Mr. Farrell?
10	MS. FIELDS: Dr. Delano is absent.	10	
11	Mr. Elliott?	11	
12	MR. ELLIOTT: Here.	12	
113	MS. FIELDS: Mr. Farrell?	13	
14	MR. FARRELL: Here.	14	
14	MR. FARRELLS: Here. MS. FIELDS: Mr. Keele?	15	
1		15	
16		1	
17		17	
18		18	
19	-	19	
20		20	
1.5.1		21	
21	CHAIRWOMAN LODES: Here.	100	the Meeting Schedule for Calendar Year 2024. We
22			
22 23	MS. FIELDS: We have a quorum.	23	currently have the suggested dates are Wednesday,
22	MS. FIELDS: We have a quorum.	23 24	currently have the suggested dates are Wednesday, January 10th, with a backup date of January 17th, and that's in Oklahoma City; June 5th in Tulsa or

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$\left[ \right]$	Page 5 Owasso; and October 2nd in Oklahoma City. This	1	MS. FIELDS: Mr. Collins? Page 7
	coincides with the various Environmental Quality	2	MR. COLLINS: Yes.
3	Board meetings because we need to send we'll have	3	MS. FIELDS: Mr. Elliott?
	to send things to those for approval after these.	4	MR. ELLIOTT: Yes.
5	Do we have any questions or comments	5	MS. FIELDS: Mr. Farrell?
	on those proposed dates?	б	MR. FARRELL: Yes.
	MR. TAYLOR: You just going to do three	7	MS. FIELDS: Mr. Keele?
1	this year, this next year?	в	MR. KEELE: Yes.
9	CHAIRWOMAN LODES: That's all we've done	9	MS. FIELDS: Mr. Privrat?
1	for the last	10	MR. PRIVRAT: Yes.
	MR. TAYLOR: Yeah, I knew we had.	11	MS. FIELDS: Mr. Taylor?
12	CHAIRWOMAN LODES: Yeah, we haven't gone	12	MR. TAYLOR: Yes.
1	back to four.	13	MS. FIELDS: Ms. Lodes?
14	MS. BOTCHLET-SMITH: I think with the time	14	CHAIRWOMAN LODES: Yes.
			MS. FIELDS: Motion passed.
	we need to get everything prepared and to the	15	·
	Governor, it works better for us to do three.	16	CHAIRWOMAN LODES: Thank you.
17	CHAIRWOMAN LODES: I think it was under	17	We will now move into the public
	Governor Fallin, they changed the amount of days		hearing portion.
<b>1</b>	ahead that we had to give notice to the Governor's	19	MS. BRADLEY: Okay. Good Morning: I am
[	Office and the rest; so it made doing four meetings		Cheryl Bradley, of the Air Quality Division, and I
1	not really a feasible option anymore.		will serve as the protocol officer for today's
22	So, yeah, we've got the three on		hearings.
	there for currently, to handle stuff, and then we	23	The hearings will be convened by the
1 ··· ·	can always do if scmething comes up, we can		Air Quality Council in compliance with the Oklahoma
25	always call for a special meeting if there's some	25	Administrative Procedures Act and Title 40 of the
1	regulatory action that will require it. Page 6	1	Page 8 Code of Federal Regulations, Part 51, as well as the
2	But the October 2nd date we believe	2	authority of Title 27A of the Oklahoma Statutes,
3	misses EFO, fall break, and the other problems we	3	Section 2-2-201 and Sections 2-5-101 through
4	usually have around October. We have a backup date	4	2-5-117.
5	for January for when we have an ice storm because	5	Notice of the October 4, 2023
6	we've run into that, and then June's usually good,	6	hearings was advertised in the Oklahoma Register for
7	50 **	7	the purpose of receiving comments pertaining to the
8	MR. KEELE: Unless you have a windstorm.	8	proposed OAC Title 252 Chapter 100 rules as listed
9	CHAIRWOMAN LODES: Unless that happens and	9	on the Agenda and will be entered into each record
10	there's power issues, like this year. We didn't	10	along with the Oklahoma register filing. Notice of
111	have the meeting because most of Tulsa didn't seem	11	Meeting was filed with the Secretary of State on
12	to have power.	12	November 1, 2022. The Agenda was duly posted 24
13	Any other questions or comments on	13	hours prior to the meeting at the DEQ and at the
	the proposed dates?		facility.
15		15	If you wish to make a statement, it
1	dates?		is very important that you complete the form at the
17		17	registration table and you will be called upon at
	the proposed dates for next year.	-	the appropriate time. Audience members, please come
19			to the podium for your comments and please state
20		· ·	your name.
21		21	At this time, we will proceed with
22		I	what's marked as Agenda Item 5A on the Hearing
23			Agenda: Chapter 100, Air Pollution Control:
		-··	Subchapter 17, Incinerators: 252:100-17-93,
24		- ·	Exemptions [Amended]; 252:100-17-103, Part 70
25	MR. CAVES: Yes.	122	evemberous (Amended): tot::fmn=ti=tn2; tate in

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## 3 (9 - 12)

-	20/4/		5 (5 - 12)
1 pe	rmits [Amended].	1	Page 11 meant to let owners and operator know that they have
2	Subchapter 23, Control of Emissions	2	a Part 70 permit obligation unless they meet one of
3 fr	om Cotton Gins: 252:100-23-3, Applicability,	3	those exemptions in Section 93.
4 gei	neral requirements [Amended].	4	Because, again, I know it's sometimes
5	Subchapter 35, Control of Emission of	5	hard to have the full context when we only open
6 Ca.	rbon Monoxide: 252:100-35-1, Purpose [Amended].	6	applicable sections, the box at the bottom shows the
7	Melanie Foster of the Air Quality	7	titles for OAC 252:100-17-92 and 93 side by side so
8 Di	vision staff will make the presentation today.	8	you can see why 92 would not be the proper reference
9	MS. FOSTER: Good morning, Madam Chair,	9	for the citation in 103.
10 Me	mbers of the Council, Members of the Public. As	10	Moving on to a new subchapter, our
11 Ch	eryl mentioned, my name is Melanie Foster and I am	11	next revisions are in OAC 252:100-23-3. Subchapter
12 th	e manager of the Rules & Planning Section. Today,	12	23 is for Cotton Gins. Again, the entirety of 23-3
13 I.	am bringing you proposed revisions to Subchapters	13	is in the rule in your e-packet but I am only
14 17	, 23, and 35 that we are considering just rule	14	showing the relevant parts with changes. The
15 cl	eanup. You may recall that in June of 2021, in	15	revision in paragraph (a) was to add OAC before the
16 re	sponse to Governor Stitt's Executive Order	16	citation, which is how we normally reference the
17 20	20-03, I brought you another rule cleanup package.		rule. The revision in paragraph (b) was a
	day's proposed revisions were identified during	I -	cross-reference that was missed when Subchapter 41
	e same rule review in response to the Governor's	19	was revoked and replaced with Subchapter 42 in the
20 Ex	ecutive Order. These were lower priority	20	2006-2007 timeframe. The citation should point to
	prrections that we now have the time to address.		the currently-in-effect Subchapter 42.
- ·	we did before, we will treat this as a single	22	The box at the bottom of this slide
	le revision package for your review and approval.		is from the Table of Contents for Chapter 100. As
	would also mention that this is the same rule		you can see, Subchapter 41 was formerly the Control
- ·	schage that was to come to you in June if we had	L .	of Emission of Hazardous Air Pollutants and Toxic
	Page 10		Page 12
1 no	ot had to cancel due to the weather in Tulsa.	1	Air Contaminants but was revoked and Subchapter 42
2	So the first revisions are found in	2	was added as the Control of Toxic Air Contaminants.
3 50	bchapter 17, which is for incinerators. There are	3	The final revision is in Subchapter
4 tw	vo corrections within section OAC 252:100-17-93,	4	35, which is Control of Emission of Carbon Monoxide.
5 wh	nich is in Part 11 for Other Solid Waste	5	It was noted when we were reviewing that the
6 In	cineration Units or OSWI. Shown on this slide are	6	terminology "Oklahoma Air Quality Standard" is not
7 ju	ist the paragraphs with revisions. The surrounding	7	accurate. The standard to which it is referring is
8 te	ext is included in the rule in your e-packet if you	B	included in Appendices E and F, which uses the
9 wa	ould like to see some context, though.	9	terminology "ambient air quality standard" as shown
10	The first correction is in paragraph	10	in the box at the bottom of this slide. This is a
11 13	3 where the current rule citation inadvertently	11	minor correction that likely doesn't affect anyone's
12 or	nitted the subchapter from the citation. The	12	proper understanding of the subchapter. I will note
13 02	fice of Administrative Rules - OAR - requires the	13	that similar subchapters in Chapter 100, namely 31
14 en	ntire citation to be struck and inserted properly	14	for sulfur compounds, 33 for nitrogen oxides, and 37
15 ra	ather than just allowing us to insert the missing	15	for VOCs do vary in their terminology. But
16 17	<ol> <li>This is just a typographical error correction.</li> </ol>	16	subchapter 33 uses a similar nomenclature as this
17 Th	ne second correction is in paragraph 16. In this	17	one did but it is not proposed for revisions at this
18 ci	itation, the paragraph number was inadvertently	18	time due to other ongoing revisions to Subchapter
19 om	mitted. We have inserted the proper citation,	19	33. So again, they all vary a little bit, but we
20 ir	ncluding the 16.	20	think it should match up with Appendices E and F
21	The next revision occurs in section	21	terminology. So as mentioned, the box at the bottom
22 07	AC 252:100-17-103. This revision is still in Part	22	of the slide shows how the Appendices are labeled in
23 11	for OSWI units. In this case, the citation	23	the Table of Contents for Chapter 100.
24 st	hould refer to the exemptions section that we just	24	So that concludes all of the changes
25 di	iscussed, which is 93, not 92. This paragraph is	25	we are requesting in this rule cleanup package.
			DDAEECCIANAL DEDADTEDC

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1These revisions, as presented, were noticed in the1MS. FIELDS: Mr. Keele?2Oklahoma Register on September 1, 2023. The public2MR. KEELE: Yes.3comment period ran from September 1st through3MS. FIELDS: Mr. Privrat?4October 2nd, and only one set of comments was4MR. PRIVRAT: Yes.5received and they were from EPA Region 6 during the5MS. FIELDS: Mr. Taylor?6public comment period for the June meeting that was6MR. TAYLOR: Yes.7canceled, that's when EPA sent in their comments.7MS. FIELDS: Ms. Lodes?8EPA noted in their comments that several of today's8CHAIRWOMAN LODES: Yes.9changes are not currently part of Oklahoma's SIP9MS. FIELDS: Motion passed.10and, as such, EPA had no comment on those11Agenda Item 5B: Chapter 100: Air Pollution Contr12Oklahoma's SIP, EPA had no adverse comments on the12Subchapter 2, Incorporation by Reference [Rewoked];14Council and the public, AQD staff would ask the14Appendix Q, Incorporation by Reference [New].15Jared Milano of the Air Quality	age 15
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16 Board for approval. Thank you. 16 Division staff will make the presentation.	
17 CHAIRWOMAN LODES: Random question. Are 17 MR. MILANO: Good morning, Council	
18 these sitting down there with EPA to put into our 18 Members. My name is Jared Milano, and I am an	
19 SIP at some point in time in the future that they 19 Environmental Programs Specialist with AQD's Rule	
20 have not acted on? 20 Planning Section, and today we are proposing chan	2
21 MS. FOSTER: No. 21 to Oklahoma Administrative Code Title 252, Chapte	r
22 CHAIRWOMAN LODES: Oh, they're not? Okay. 22 100, Subchapter 2 and Appendix Q.	
23 I mean, I know they're, like, 10 years out on some, 23 Those changes are to revise the da	te
24 so 24 of incorporation for Subchapter 2, Incorporation	Ъу
25 MS. FOSTER: Yes. No, these are just 25 Reference, and to revoke the current Appendix Q a	nd
Page 14 1 other provisions. Page 14 1 then adopt the newly updated Appendix Q. And thi	age 16 s
2 CHAIRWOMAN LODES: Okay. Any questions or 2 is because the Rules on Rulemaking require that	
3 comments by the Council? 3 appendices are revoked before new versions can be	
4 MS. BRADLEY: I've received no requests 4 adopted.	
5 from the attendees to speak. Is there anyone in the 5 The proposed changes to Appendix Q	
6 audience who'd like to speak on this subject? 6 are additions from 40 Code of Federal Regulations	
7 CHAIRWOMAN LODES: There are no questions 7 Part 60. These additions are Subparts KKa, MMa,	and
8 or comments from the public and none from the 8 TTTa, and there's more details on those changes i	n
9 Your packet, in the "2023 list of changes".	
10 Do I have a motion to approve the 10 So in summation, DEQ requests the	Air
11 rule package as presented? 11 Quality Advisory Council to recommend the propose	
12 MR. ELLIOTT: I make a motion to approve 12 changes to Subchapter 2 and Appendix Q to the	-
13 the rule package as submitted. 13 Environmental Quality Board for adoption.	
14     MR. TAYLOR: Second.     14     CHAIRWOMAN LODES: Do we have any	
15 CHAIRWOMAN LODES: I have a motion and a 15 questions or comments from the Council?	
16 MS. BRADLEY: I've received no requests	10
17 Quiana, will you please call roll? 17 speak on this agenda item from the audience. Is	2.7
17       Utilina, will you please call foll:       17 speak on this agenda item from the autience. Is         18       MS. FIELDS: Mr. Caves?       18 there anyone who, at this time, would like to spe	a 20
	n A (
21 MR. COLLINS: Yes. [21 comments from the Council?	
22 MS. FIELDS: Mr. Elliott? 22 Hearing none, I need a motion to	
23 MR. ELLIOTT: Yes. 23 approve the rule package as presented.	

10/4/2023

Page 17 MR. FARRELL: Second. 1 CHAIRWOMAN LODES: I have a motion and a 2 3 second. Quiana, please call roll. 4 MS. FIELDS: Mr. Caves? 5 MR. CAVES: Yes. б 7 MS. FIELDS: Mr. Collins? MR. COLLINS: Yes. 8 9 MS. FIELDS: Mr. Elliott? MR. ELLIOTT: Yes. 10 11 MS. FIELDS: Mr. Farrell? 12 MR. FARRELL: Yes. 13 MS. FIELDS: Mr. Keele? 14 MR. KEELE: Yes. 15 MS. FIELDS: Mr. Privrat? 16 MR. PRIVRAT: Yes. 17 MS. FIELDS: Mr. Taylor? 18 MR. TAYLOR: Yes. 19 MS. FIELDS: Ms. Lodes? 20 CHAIRWOMAN LODES: Yes. 21 MS. FIELDS: Motion passed. 22 CHAIRWOMAN LODES: Thank you. MS. BRADLEY: That concludes the hearing 23 24 portion of the agenda. (HEARING CONCLUDED AT 9:18 AM) 25 Page 18 CERTIFICATE 1 I, Jenny Longley, Certified Shorthand 2 3 Reporter within and for the State of Oklahoma, do 4 hereby certify that the above and foregoing hearing 5 was by me taken in shorthand and thereafter 6 transcribed; and that I am not an attorney for nor 7 relative of any of said parties or otherwise B interested in the event of said action. IN WITNESS WHEREOF, I have hereunto 9 10 set my hand and official seal this 12th day of 11 October, 2023. NZ 12 13 Jenny Longley, CSR 14 15 CSR # 1903 16 17 18 19 20 21 22 23 24 25



## AIR QUALITY ADVISORY COUNCIL Attendance Record October 4, 2023 Oklahoma City, Oklahoma

**<u>NAME</u>** and/or <u>AFFILIATION</u>

Address and/or Phone and/or E-Mail

MELANIE FOSTER	AQD
Jeff Taylor	AQD
Jerem Jerell	jewell etrinity consoltants. 10m
Jan J. Milano	AQD
Malcom Zadiasiah	Aan
Cheryl E. Bradley	AQD
Gran Elliott	AGAC
Bud Ground	EFO
Jaron Hill	MHT
Rundy Ward	randy 1993@ yahar.com AQC
forsgy Cours	AOC
Matt Carles	AGC
Gary Kelle	anny. Veek Domale f.A. ca
Travis Couch	ARD
Quiana Fields	NEO
Bryon Sims	DEG
Rupen Biggers toff	AQD
Jim Farrell	AQAC
Christian Mitchell	AQID
Jeff Evert	OGOE
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Camas Frey	DEQ
Brooks Kirlin	UEIX



## AIR QUALITY ADVISORY COUNCIL Attendance Record October 4, 2023 Oklahoma City, Oklahoma

NAME and/or AFFILIATION

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### **MEMORANDUM**

**DATE:** April 10, 2024

**TO:** Members of the Air Quality Advisory Council

**FROM:** Kendal Stegmann, Director

**SUBJECT:** Proposed Emergency Rule in OAC 252:100-7-60.5

The Department of Environmental Quality (Department or DEQ) is proposing to amend the Permit By Rule (PBR) in OAC 252:100-7-60.5, Oil and natural gas sector, in response to the U.S. Environmental Protection Agency's (EPA's) recently promulgated requirements in 40 C.F.R. Part 60, Subpart OOOOb Standards of Performance for Crude Oil and Natural Gas Facilities for which Construction, Modification or Reconstruction Commenced After December 6, 2022 (NSPS Subpart OOOOb). Additionally, the proposed amendment would allow the use of legally and practicably enforceable (LPE) limits when determining a facility's eligibility for the PBR. The gist of the proposed rule is to clarify source eligibility criteria for the PBR and ensure that the current PBR allows facilities potentially subject to NSPS Subpart OOOOb to take LPE limits to avoid applicability of the federal requirements for certain equipment.

Notice of the proposed rule changes was published in the *Oklahoma Register* on March 15, 2024. The notice requested written comments from the public and other interested parties. As of the date of this memo, comments have been received from one entity, and staff are developing responses. A copy of the proposed rules is enclosed along with a copy of the Rule Impact Statement and the comments received.

At the April meeting, staff will ask the Council to recommend the proposed rule changes to the Environmental Quality Board for adoption as emergency rules. Adoption of the measure as an emergency rule would provide an earlier opportunity to lessen the regulatory impact of new NSPS Subpart OOOOb on a significant number of affected oil & gas production projects until a revision can proceed through the permanent rulemaking process.

Enclosures: Proposed Amendments to OAC 252:100-7-60.5 Rule Impact Statement April 10, 2024 The Petroleum Alliance of Oklahoma Comments

### TITLE 252. DEPARTMENT OF ENVIRONMENTAL QUALITY CHAPTER 100. AIR POLLUTION CONTROL

#### SUBCHAPTER 7. PERMITS FOR MINOR FACILITIES

#### PART 9. PERMITS BY RULE

#### 252:100-7-60.5. Oil and natural gas sector

(a) **Applicability**. This PBR is issued for minor facilities and area sources in the oil and natural gas (O&NG) sector. This includes but is not limited to facilities subject to federal standards, primarily Subparts IIII, JJJJ, OOOO, and OOOOa, and OOOOb of the federal NSPS, 40 CFR Part 60, and Subparts HH and ZZZZ of the federal NESHAP, 40 CFR Part 63, as cited in this PBR and incorporated by reference in OAC 252:100-2 and Appendix Q to Chapter 100. Specifically, this PBR applies to the following:

(1) Eligible minor facilities and area sources. New and existing minor facilities and area sources in the O&NG sector are eligible for this PBR, provided they comply with the conditions in (A) through (G) of this paragraph.

(A) The facility has actual emissions of 40 TPY or less of each regulated air pollutant, except HAPs and GHGs.

(B) The facility has potential emissions of each regulated air pollutant, except HAPs, that are less than the emission levels that require prevention of significant deterioration (PSD), nonattainment new source review (NNSR), and Part 70 permits.

(C) The facility does not emit or have potential emissions of 10 TPY or more of any single HAP or 25 TPY or more of any combination of HAPs.

(D) For the purpose of determining if a facility is eligible for registration under this PBR, the calculation of actual emissions may include emission reductions that will be made enforceable by registration under this PBR.

(E) Only for the purpose of determining if a facility is eligible for registration under this PBR, the calculation of potential emissions shall not include emission reductions resulting from any physical or operational limitation (including capacity limitations, use of air pollution control equipment, and/or restrictions on hours of operation or on the type or amount of material combusted, stored, or processed). Affected However, affected sources or potentially affected sources subject to a federal standard (NSPS or NESHAP) may include enforceable limitations imposed by the federal standards in the calculation of potential emissions.

(F) The facility must meet the criteria in 252:100-7-15(b)(1)(C) through (E).

(G) The facility is not otherwise a Part 70 source.

(2) **Equipment and processes**. This PBR covers equipment and processes located at minor facilities and area sources in the O&NG sector that meet the criteria contained in 252:100-7-60.5(a)(1). Covered equipment and processes under this PBR include, but are not limited to:

(A) The affected facilities listed in 40 CFR Section 60.5365 of NSPS Subpart OOOO, and 40 CFR Section 60.5365a of NSPS Subpart OOOOa, and 40 CFR Section 60.5365b of NSPS Subpart OOOOb.

(B) Stationary compression ignition internal combustion engines, as specified in 40 CFR Section 60.4200 of NSPS Subpart IIII, which are located at minor facilities in the O&NG sector.

(C) Stationary spark ignition internal combustion engines, as specified in 40 CFR Section 60.4230 of NSPS Subpart JJJJ, which are located at minor facilities in the O&NG sector.

(D) The affected sources listed in 40 CFR Section 63.760(a) and (b)(2) of NESHAP Subpart HH, which are located at area sources.

(E) Stationary reciprocating internal combustion engines (RICE), as specified in 40 CFR Section 63.6585 of NESHAP Subpart ZZZZ, which are located at area sources in the O&NG sector.

#### (b) Standards and requirements.

(1) **NSPS and NESHAP requirements.** The owner or operator shall meet the applicable requirements of the following NSPS and NESHAP subparts for equipment and processes located at minor facilities or area sources in the O&NG sector.

(A) **General provisions.** The owner or operator of minor affected facilities covered by the O&NG PBR shall comply with applicable requirements of 40 CFR 60, Subpart A.

(B) **Crude oil and natural gas production, transmission, and distribution.** The owner or operator of each minor affected facility shall comply with the applicable standards and requirements of 40 CFR Part 60, Subparts OOOO, and/or OOOOa, and/or OOOOb.

(C) **Stationary compression ignition internal combustion engines.** The owner or operator of a stationary compression ignition internal combustion engine shall comply with the applicable emission, equipment, and work practice standards and testing, reporting monitoring, and recordkeeping requirements of 40 CFR Part 60, Subpart IIII.

(D) **Stationary spark ignition internal combustion engine.** The owner or operator of a stationary spark ignition internal combustion engine shall comply with the applicable emission, equipment, and work practice standards and testing, reporting, monitoring, and recordkeeping requirements of 40 CFR Part 60, Subpart JJJJ.

(E) **General provisions.** The owner or operator of an area source covered by the O&NG PBR shall comply with applicable requirements of 40 CFR Part 63, Subpart A.

(F) **Oil and natural gas production facilities.** The owner or operator of an affected source listed in 40 CFR Section 63.760(a) and (b) and located at an area source shall comply with the applicable emission, equipment, and work practice standards and testing, reporting, monitoring, and recordkeeping requirements of 40 CFR Part 63, Subpart HH.

(G) **Stationary reciprocating internal combustion engines.** The owner or operator of a stationary RICE located at an area source shall comply with the applicable emission, equipment, and work practice standards and testing, reporting, monitoring, and recordkeeping requirements of 40 CFR Part 63, Subpart ZZZZ.

(H) **Equipment subject to any other NSPS or NESHAP.** The owner or operator of the facility shall comply with the applicable emission, equipment, and work practice standards and testing, reporting, monitoring, and recordkeeping requirements of any other applicable NSPS or NESHAP, including any modification to requirements of an existing applicable NSPS or NESHAP.

(2) **DEQ Air Pollution Control Rules, standards, and requirements.** The owner or operator of an O&NG facility covered by this PBR shall comply with applicable portions of the:

(A) emission inventory requirements and annual fee requirements contained in 252:100-5;

(B) excess emission reporting requirements contained in 252:100-9;

(C) particulate matter emission rates contained in 252:100-19 for fuel-burning equipment;

(D) visible emissions (opacity) limits contained in 252:100-25 for subject emission units;

(E) fugitive dust standards contained in 252:100-29;

(F) standards and requirements for the control of the emission of sulfur compounds contained in 252:100-31 for subject emission units;

(G) standards and requirements for the control of the emission of nitrogen oxides contained in 252:100-33 for subject fuel-burning equipment;

(H) standards and requirements for the control of the emission of VOCs contained in 252:100-37 and 252:100-39 for subject emission units; and

(I) testing, monitoring, and recordkeeping requirements contained in 252:100-43.

(c) **Requested process-specific limitations - storage vessel affected facilities.** An owner or operator shall designate on the PBR registration form(s) that either of the following federally enforceable limits are applicable to a specified storage vessel affected facility. The permittee shall submit a notice of enforceability on forms provided by the DEQ to add or remove the applicability of federally enforceable limits to or from any specific emission unit.

(1) The storage vessel affected facility shall be limited to less than 6 TPY of VOC emissions, 12-month rolling total, unless another time measurement is specified under 40 CFR Part 60, Subpart OOOO or OOOOa. Demonstration of compliance with the VOC emission limit shall be based on records of VOC stored and monthly throughputs. Emissions shall be calculated using current EPA AP-42 methodology for working and breathing emissions or other methodology acceptable to the DEQ, and using available AQD guidance for flash emissions.

(A) In the demonstration of compliance with the VOC emission limit, a properly installed and operated vapor recovery unit (VRU) is considered to recover 100% of the VOC during the time the VRU is in use.

(B) The permittee shall maintain, for a period of five (5) years, records of VOC stored, monthly throughputs, and emissions calculations used to demonstrate compliance, including records of all periods of uncontrolled venting.

(2) The VOC storage vessel shall be limited to less than 6 TPY of VOC emissions, 12-month rolling total, unless another time measurement is specified under 40 CFR Part 60, Subpart OOOO or OOOOa. For any VOCs not routed through a VRU, the storage vessel affected facility shall be controlled utilizing a flare or enclosed combustion device.

(A) For each flare or enclosed combustion device, the presence of a pilot flame shall be monitored using a thermocouple or any other equivalent device, and records of pilot flame(s) outages and/or flare downtime shall be maintained.

(B) The flare or enclosed combustion device shall be operated according to the manufacturer's specifications.

(C) Demonstration of compliance with the VOC emission limit shall be based on emissions calculated from records of VOC stored and monthly throughputs using current EPA AP42 methodology for working and breathing emissions or other methodology acceptable to the DEQ, AQD guidance for flash emissions, and a VOC control efficiency as specified.

(i) During periods when records document that the flare or enclosed combustion device was operational, the VOC emissions estimates may be calculated using a VOC destruction efficiency of 95%.

(ii) If the manufacturer of the flare or enclosed combustion device guarantees a VOC destruction efficiency greater than 95%, the VOC emissions estimates may be calculated using the VOC destruction efficiency guaranteed by the manufacturer, up to but not to exceed 99.5% during periods when records document that the control device was operational.

(iii) A properly installed and operated VRU is considered to recover 100% of the VOC during the time the VRU is in use.

(iv) The permittee shall maintain, for a period of five (5) years, records of VOC stored, monthly throughputs, and emissions calculations used to demonstrate compliance, including records of all periods of uncontrolled venting.

(d) **Requested process-specific legally and practicably enforceable limitations - storage vessel affected facilities (tank batteries).** An owner or operator shall designate on the PBR registration form(s) that the following legally and practicably enforceable (LPE) limits are applicable to a specified storage vessel affected facility under 40 CFR Part 60, Subpart OOOOb. The permittee shall submit a notice of enforceability on forms provided by the DEQ to add or remove the applicability of LPE limits to or from any tank battery, whether the tank battery consists of a single storage vessel or multiple storage vessels that are manifolded together for liquid transfer.

(1) The storage vessel affected facility shall be limited to less than 6 TPY of VOC emissions and less than 20 TPY of methane emissions, calculated as cumulative emissions from all storage vessels within the tank battery, with both limits based on a 12-month rolling total.

(A) Demonstration of compliance with the VOC and methane emission limits shall include the following:

(i) A monthly quantitative throughput volume.

(ii) The composition of tank contents and any stream data (actual or representative consistent with DEQ policy as established by the Director) necessary to perform the calculations below.

(iii) Emission calculation methods for working, breathing, and flashing emissions approved by the Director.

(iv) Process operating parameters, including temperatures and pressures.

(iv) The method, if any, used to capture emissions, and divert emissions to a process and/or route emissions to a control device.

(v) Calculations showing that, given the tank contents, throughput, and process operating parameters (including downtime), the emissions from the tank battery will not exceed the LPE limits for VOC or methane.

(B) Applicants that elect to comply with the LPE limits through one or more of the following options shall meet these operational and parametric limits:

(i) If using a nonassisted flare:

(I) a closed vent system that routes emissions from the storage vessel affected facility to the flare.

(II) a combustion destruction efficiency of at least 95%.

(III) the flare shall meet the following applicable requirements of 40 CFR § 60.18: visible emissions requirements in § 60.18(c)(1); the pilot flame requirements in § 60.18(c)(2); the heating value requirements in § 60.18(c)(3)(ii); exit velocity requirements in § 60.18(c)(4); and the operational requirements in § 60.18(e).

(ii) If using a nonassisted enclosed combustion device:

(I) a closed vent system that routes emissions from the storage vessel affected facility to the combustor.

(II) a combustion destruction efficiency of at least 95%.

(III) the combustor shall meet the following applicable requirements for flares in 40 CFR § 60.18: visible emissions requirements in § 60.18(c)(1); the pilot flame

requirements in § 60.18(c)(2); the heating value requirements in § 60.18(c)(3)(ii); and the operational requirements in § 60.18(e).

(IV) the maximum design capacity (MMBTU/hr) of the gases combusted as established by the manufacturer or operator during a performance test.

(iii) If using a VRU:

(I) a closed vent system that captures all emissions from the storage vessel affected facility and routes all emissions to a process.

(II) the openings of the storage vessels shall be closed and sealed (e.g., covered by a gasketed lid, cap, or other appropriate methods) during normal operation.

(C) The emission reductions associated with the option(s) selected under (B) shall only be included in emissions calculations to show compliance with limits in (1) above when the following initial and periodic and/or continuous monitoring requirements are met:

(i) If using a nonassisted flare or enclosed combustion device:

(I) perform an initial visible emission observation of the flare or enclosed combustion device using Method 22 in Appendix A of 40 CFR Part 60, with a minimum observation time of six (6) minutes, within 60 days of initial operation.

(II) continuously monitor at least once every five minutes for the presence of a pilot flame or combustion flame using a device (including, but not limited to, a thermocouple, ultraviolet beam sensor, or infrared sensor) capable of detecting that the pilot or combustion flame is present at all times. An alert must be sent whenever the pilot or combustion flame is unlit.

(III) perform an initial, and semi-annually thereafter, determination of the net heating value of the gasses combusted using the equation in 40 CFR § 60.18(f)(3). (IV) for a flare, perform an initial, and semi-annually thereafter, determination of the exit velocity of the gasses combusted, calculated by dividing the volumetric flowrate by the unobstructed (free) cross sectional area of the flare tip. Volumetric flowrate shall be determined by Method 2 in Appendix A of 40 CFR Part 60, or a generally accepted model or calculation methodology.

(V) for an enclosed combustion device, perform an initial, and semi-annually thereafter, demonstration that the actual heat content (MMBTU/hr) of the gases combusted are within the design values established by the manufacturer or operator during a performance test. The heat content of the combusted gases shall be determined by a generally accepted model or calculation methodology.

(ii) If using a VRU, whenever the closed vent system and/or VRU experiences outages and/or downtime, maintain calculations of associated emissions for the purpose of determining compliance with the limits in paragraph (1).

(D) Reporting of any exceedances of these limits in accordance with DEQ guidance.

(E) Recordkeeping updated monthly and maintained for a period of five (5) years, including:

(i) Records of contents stored,

(ii) Monthly and 12-month rolling total throughputs,

(iii) Records of parameters monitored as required in subparagraphs (A) and (B) above, (iv) Monthly and 12-month rolling total emissions calculations used to demonstrate compliance,

(v) Times and emissions when the system used to comply with the LPE limits is not operating in accordance with the requirements established in this subsection, and

(vi) Records of all periods of uncontrolled venting.

(vii) Equipment specifications, manuals, and/or maintenance records, as appropriate. (2) [RESERVED]

(e) Exceptions to Otherwise Applicable State-Only Requirements. When an owner or operator elects to obtain coverage under the oil and natural gas PBR (OAC 252:100-7-60.5) the following exceptions to otherwise applicable state requirements shall govern the equipment and operations covered by the PBR:

(1) GHG emissions, as an aggregate, or as individual components (e.g., methane) may be included in the facility's PBR notwithstanding the provisions of OAC 252:100-7-2.1, Minor permits for greenhouse gas (GHG) emitting facilities.

(2) Regardless of any limits on methane included in the PBR or inclusion of any reporting requirements or other provisions in the permit that may affect methane or GHG emissions, neither methane nor GHG (as an aggregate) will be considered to be regulated air pollutants for the purposes of the following:

(A) The determination of "actual emissions" from a given facility as defined in 252:100-5-1.1.

(B) The emissions inventory requirements of OAC 252:100-5-2.1.

(C) "Regulated pollutant (for fee calculation)," as defined in 252:100-5-1.1, subject to annual operating fees under OAC 252:100-5-2.2.

(D) The determination whether a facility is a "major source" as defined in OAC 252:100-8-2.

(E) The determination whether a facility is a "major stationary source" as defined in OAC 252:100-8-31 for facilities in attainment areas or in OAC 252:100-8-51 for facilities in nonattainment areas.

(F) The determination whether a facility's project is a "major modification" as defined in OAC 252:100-8-31 for facilities in attainment areas or in OAC 252:100-8-51 for facilities in nonattainment areas.

(3) These exceptions may be set aside at the discretion of the Director.

#### TITLE 252. DEPARTMENT OF ENVIRONMENTAL QUALITY CHAPTER 100. AIR POLLUTION CONTROL

Before the Air Quality Advisory Council on April 24, 2024 Before the Environmental Quality Board on June 11, 2024

#### **RULE IMPACT STATEMENT**

Subchapter 7. Permits for Minor Facilities PART 9. Permits by Rule 252:100-7-60.5. [AMENDED]

**DESCRIPTION:** The Department of Environmental Quality (Department or DEQ) is proposing to amend the Permit By Rule (PBR) in OAC 252:100-7-60.5, Oil and natural gas sector, in response to the U.S. Environmental Protection Agency's (EPA's) recently promulgated requirements in 40 C.F.R. Part 60, Subpart OOOOb Standards of Performance for Crude Oil and Natural Gas Facilities for which Construction, Modification or Reconstruction Commenced After December 6, 2022 (NSPS Subpart OOOOb). Specifically, the proposed amendment would allow the use of legally and practicably enforceable (LPE) limits when determining a facility's eligibility for the PBR. The gist of the proposed rule is to clarify source eligibility criteria for the PBR and ensure that the current PBR allows facilities potentially subject to NSPS Subpart OOOOb to take LPE limits to avoid applicability of the federal requirements for certain equipment.

**CLASSES OF PERSONS AFFECTED:** The classes of persons affected are the owners and operators of facilities that qualify for, and elect to obtain coverage under, the oil and natural gas PBR, including those that have already registered under the PBR.

**CLASSES OF PERSONS WHO WILL BEAR COSTS:** The classes of persons who will bear costs are the owners and operators of facilities that qualify for, and elect to obtain coverage under, the oil and natural gas PBR, including those that have already registered under the PBR. There are no new costs associated with this rulemaking activity.

**INFORMATION ON COST IMPACTS FROM PRIVATE/PUBLIC ENTITIES:** The Department has not received any information on cost impacts of the proposed amendments as of this date. There are no new costs associated with this rulemaking activity.

**CLASSES OF PERSONS BENEFITTED:** The classes of persons who would benefit from this rule are the owners and operators of facilities that qualify for, and elect to obtain coverage under, the oil and natural gas PBR, including those that have already registered under the PBR. The proposed amendments would ensure facilities subject to NSPS OOOOb are covered by the oil and natural gas PBR and clarify methods allowed when determining eligibility for the PBR, including taking a legally and practically enforceable limit to avoid applicability of NSPS OOOOb for certain equipment.

**PROBABLE ECONOMIC IMPACT ON AFFECTED CLASSES OF PERSONS:** The Department expects no significant economic impact on the affected classes of persons from this

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rulemaking activity. Owners and operators of facilities that qualify for the oil and natural gas PBR, including those that have already registered under the PBR will continue to be covered by or qualify for the PBR. There could be some costs associated with demonstrating compliance with the LPE criteria in the PBR; however, those potential costs (and more) would also be present for facilities that do not elect to obtain coverage under the PBR, and instead are subject to NSPS OOOOb.

**PROBABLE ECONOMIC IMPACT ON POLITICAL SUBDIVISIONS:** The Department anticipates no economic impact on political subdivisions due to this rule.

**POTENTIAL ADVERSE EFFECT ON SMALL BUSINESS:** The Department anticipates no adverse effect on small business.

**LISTING OF ALL FEE CHANGES, INCLUDING A SEPARATE JUSTIFICATION FOR EACH FEE CHANGE:** The Department is not proposing any fee changes in this rule.

**PROBABLE COSTS AND BENEFITS TO DEQ TO IMPLEMENT AND ENFORCE:** The Department anticipates there will be no significant increased costs associated with the implementation and enforcement of these proposed amendments. The Department will benefit from the proposal because it will aid state implementation and enforcement of new and existing federal requirements.

**PROBABLE COSTS AND BENEFITS TO OTHER AGENCIES TO IMPLEMENT AND ENFORCE:** There are none. No other agencies will be implementing or enforcing these regulations.

**SOURCE OF REVENUE TO BE USED TO IMPLEMENT AND ENFORCE RULE:** Fees and federal grants will continue to be used to implement and enforce these regulations.

**PROJECTED NET LOSS OR GAIN IN REVENUES FOR DEQ AND/OR OTHER AGENCIES, IF IT CAN BE PROJECTED:** The Department expects no net loss or gain in revenues from these amendments.

**COOPERATION OF POLITICAL SUBDIVISIONS REQUIRED TO IMPLEMENT OR ENFORCE RULE:** None is required. The Department will be responsible for all aspects of implementation and enforcement of these regulations.

**EXPLANATION OF THE MEASURES THE DEQ TOOK TO MINIMIZE COMPLIANCE COSTS:** The proposed amendments minimize compliance costs by clarifying what methods may be used when determining applicability to the oil and natural gas PBR. The proposed amendments also ensure that the PBR covers standards set forth in NSPS OOOOb.

**DETERMINATION OF WHETHER THERE ARE LESS COSTLY OR NONREGULATORY OR LESS INTRUSIVE METHODS OF ACHIEVING THE PURPOSE OF THE PROPOSED RULE:** The Department has determined that there are no less costly or nonregulatory or less intrusive methods of achieving the purpose of the proposed rule.

**DETERMINATION OF THE EFFECT ON PUBLIC HEALTH, SAFETY AND ENVIRONMENT:** The proposed changes will have a positive effect on public health, safety, and the environment by updating the PBR to implement new and existing standards that were established to protect public health and welfare.

IF THE PROPOSED RULE IS DESIGNED TO REDUCE SIGNIFICANT RISKS TO THE PUBLIC HEALTH, SAFETY AND ENVIRONMENT, EXPLANATION OF THE NATURE OF THE RISK AND TO WHAT EXTENT THE PROPOSED RULE WILL REDUCE THE RISK: The proposed changes will have a positive effect on public health, safety, and the environment by updating the PBR to implement new and existing standards that were established to protect public health and welfare.

**DETERMINATION OF ANY DETRIMENTAL EFFECT ON THE PUBLIC HEALTH, SAFETY AND ENVIRONMENT IF THE PROPOSED RULE IS NOT IMPLEMENTED:** Not implementing the proposed amendments would not have any detrimental effect on public health, safety, or environment. The regulatory requirements for qualifying facilities are already in place at the federal level.

**PROBABLE QUANTITATIVE AND QUALITATIVE IMPACT ON BUSINESS ENTITIES (INCLUDE QUANTIFIABLE DATA WHERE POSSIBLE):** The Department anticipates a positive impact on business entities that own or operate facilities which qualify for this PBR.

THIS RULE IMPACT STATEMENT WAS PREPARED ON: March 15, 2024 MODIFIED ON:



April 10, 2024

Submitted via Email (AQDrulecomments@deq.ok.gov)

Ms. Melanie Foster, Environmental Programs Manager Air Quality Division Oklahoma Department of Environmental Quality P.O. Box 1677 Oklahoma City, OK 73101-1677

RE: Oil & Gas Sector Permit by Rule

Dear Ms. Foster:

The Petroleum Alliance of Oklahoma (The Alliance) represents more than 1,400 individuals and member companies and their tens of thousands of employees in the upstream, midstream, and downstream sectors and ventures ranging from small, family-owned businesses to large, publicly traded corporations. Our members produce, transport, process and refine the bulk of Oklahoma's crude oil and natural gas.

The Alliance appreciates the opportunity to provide the following comments on the draft Oil & Natural Gas Sector Permit by Rule (PBR). We welcome further discussions on these questions, concerns and requests.

## 1. Questions regarding the proposed Oil & Natural Gas Sector Permit by Rule (PBR)

- The Alliance member companies would like clarity on how the enforceable limits will be set. Will the limits be based on monthly or annual average through-puts and pressures? We feel that the PBR may be of limited benefit to the industry if the PTE calculation is not allowed to be based on an annual average.
- In (d)(1)(iii) it states, "Emission calculation methods for working, breathing, and flashing emissions approved by the Director." Are you anticipating there will be different calculation methods than what is currently used under the PBR?
- In (d)(1)(v), what calculation methods should be used to show compliance with the methane limits?
- During the periods when operators are not utilizing the VRU due to maintenance, they need the ability to permit a flare as a back-up control device. Can this be accomplished under the proposed PBR?



- Flow meters on low pressure streams to flares are not very accurate. Will operators be able to estimate those low flows to flares?
- We would like to confirm our understanding of the proposed PBR. Our understanding is that an existing facility that is covered by a PBR would not be required to have an LPE to stay under its current PBR. Facilities constructed after December 6, 2022, and before the emergency rules are in place, will not have the option to use LPEs (to exempt storage tank batteries from being regulated as "storage vessel affected facilities" under NSPS OOOOb) in a PBR. New facilities constructed after the emergency rules are in effect will need to obtain a PBR with LPEs if they do not want to be subject to the tank battery requirements of OOOOb. Is this correct?
- Can the existing PBR be used to allow new facilities (subject to NSPS OOOOb) to be constructed and operated without LPEs?
- We would like to confirm that existing facilities that want federally enforceable limits in their PBR to exempt tanks from the requirements of NSPS OOOO or OOOOa will not be affected by the emergency rule but in the future may need to address OOOOc requirements for methane. Is that correct?
- Will air-assisted flares be allowed under the PBR?
- Has the PBR registration form referenced in in 252:100-7-60.5(d) been developed?

## 2. Request changes to in 252:100-7-60.5 (d)(1)( C)(III)

For nonassisted flares or enclosed combustion devices, the proposed rule references 40 CFR § 60.18(f)(3) to determine the net heating value of the gasses combusted. We request the method be changed to or include the use of the GPA 2261 method. The oil & natural gas industry commonly uses the GPA method which is more appropriate and less expensive.

## 3. Request Change to 252:100-7-60.5 (d)(1)(E) - Recordkeeping

The Alliance requests the recordkeeping requirements be changed to eliminate the duplication of requirements.

(E) Recordkeeping updated monthly and maintained for a period of five (5) years, including:

(i) Records of contents stored,

(ii) Monthly and 12-month rolling total throughputs, <u>or Mmonthly and 12-month rolling total</u> <u>emissions calculations used to demonstrate compliance</u>,



(iii) Records of parameters monitored as required in subparagraphs (A) and (B) above, (iv) Monthly and 12-month rolling total emissions calculations used to demonstrate

#### compliance,

(v)(iv) Times and emissions when the system used to comply with the LPE limits is not operating in accordance with the requirements established in this subsection, and (vi)(v) Records of all periods of uncontrolled venting.

(vii)(vi) Equipment specifications, manuals, and/or maintenance records, as appropriate.

Please feel free to contact me at <u>bud@okpetro.com</u>.

Sincerely,

Howard h. Ground

Howard Ground Director Regulatory Affairs